

## Contents

<b>1.0</b>	<b>Statement of Objectives.....</b>	<b>1</b>
1.1	Background.....	1
1.2	Scope.....	1
1.2.1	FSMP Business Areas.....	2
1.2.2	Non-FSMP Business Areas.....	2
1.3	Performance Objectives.....	2
1.3.1	FSMP Strategic Goals.....	2
1.3.2	FSMP Program Objectives.....	2
1.4	Guiding Principles.....	3
1.5	Blanket Purchase Agreement Activities.....	3
1.5.1	Planning and Evaluation.....	4
1.5.2	Requirements.....	4
1.5.3	Product Acceptance Test.....	4
1.5.4	Implementation and Integration.....	5
1.5.5	Business Process Reengineering.....	5
1.5.6	Data Migration/Conversion.....	5
1.5.7	Training.....	5
1.5.8	Application Hosting.....	5
1.6	Deliverables and Reports.....	6
1.7	Security.....	6
1.8	Period of Performance.....	6
1.9	Place of Performance.....	6
1.10	Government Furnished Equipment.....	7
1.11	EPA Partnership Philosophy.....	7
	<b>Attachment A Non-FSMP Business Areas.....</b>	<b>8</b>

## 1.0 Statement of Objectives

### 1.1 Background

The Environmental Protection Agency's (EPA) Office of the Chief Financial Officer (OCFO) is in the planning and acquisition phase for the Financial System Modernization Project (FSMP) within its overall financial modernization plan. Implementation of the project will promote increased integration among systems, and will add new functionality, thereby improving EPA's ability to perform core financial management functions essential to achieve the Agency's mission.

The implementation will result in two broad outcomes, which are to:

1. Ensure fiscal integrity by maintaining accountability and control of resources; specifically, EPA will:
  - Establish financial control over funds, obligations, assets, and liabilities to ensure budgetary integrity;
  - Safeguard and control Agency resources to prevent waste, fraud, abuse, and mismanagement;
  - Produce reliable reports on the Agency's reported financial condition;
  - Maintain an effective financial infrastructure to ensure efficiency in financial operations; and
  - Enhance credibility and ensure public confidence through effective financial management governance, accountability and stewardship.
2. Improve program performance by providing management information and decision support that links financial and program performance:
  - Maintain efficient business processes that capture and account for the financial components of business events;
  - Enable effective decision-making at all levels of the Agency's "business lines and functions" to support cost-effective mission achievement and risk mitigation;
  - Disclose the cost and performance of EPA programs and activities to the citizens, the President, the Congress, program managers, and financial managers;
  - Increase EPA's ability to address vital public needs;
  - Improve the general performance of the Agency; and
  - Integrate budget and performance by providing full cost accounting for programs, projects, activities, and other performance measurement criteria.

For more detailed background and implementation objectives, please refer to the Concept of Operations (CONOPS).

### 1.2 Scope

The overall scope of the FSMP is an Agency-wide financial management system. The Environmental Protection Agency (herein referred to as EPA, Government or Agency) anticipates that the FSMP will result in an integrated solution composed of a COTS product or suite of products. The core financial system will be JFMIP-certified. The FSMP solution must provide the capabilities specified in the FSMP functional and technical requirements provided in the Requirements Document.

### **1.2.1 FSMP Business Areas**

The FSMP business areas for which the FSMP solution must meet EPA's business and technical requirements include:

- Core Financial Management (General Ledger, Budget Execution, Payment Management, Receivable Management, and Cost/Project Management)
- Strategic Plan Management and Budget Formulation
- Property Management

See Section 1.2 of the CONOPS document for a more complete discussion of FSMP scope.

### **1.2.2 Non-FSMP Business Areas**

In addition to providing the capabilities for the domains listed above, the FSMP solution must be able to integrate with the ongoing Agency and e-government solutions, which are identified here as "non-FSMP Business Areas." These areas include Integrated Acquisitions (e-Acquisition), e-Payroll, Human Resources (e-HR), e-Authentication, e-Travel, e-Security, and Supporting Infrastructure. See Attachment A for a more complete discussion of these areas.

## **1.3 Performance Objectives**

The work to be performed under this Statement of Objectives (SOO) shall be executed with a performance-based approach in order to provide the most cost-effective and technically sound solution. The Agency shall rely on the Contractor's expertise to streamline the process of completing the project milestones.

Work proposed on an other than fixed price basis must be accompanied by measurable performance incentives. EPA, at its discretion, reserves the right to risk adjust all non-fixed price work as part of its evaluation of the proposal.

The Contractor shall perform all work in compliance with this SOO. Contractor shall plan and develop a solution to implement an Agency-wide financial management system that meets the FSMP Strategic Goals and FSMP Program Objectives.

### **1.3.1 FSMP Strategic Goals**

In order to deliver a world-class, best value, business and financial enterprise to EPA, the FSMP should address the following strategic goals:

- Implement an Agency-wide resource management solution for the primary FSMP business areas;
- Increase efficiency and effectiveness by optimizing investments;
- Embrace and expand current initiatives; and
- Identify measurement benchmarks and exceed industry performance standards.

### **1.3.2 FSMP Program Objectives**

In support of the strategic goals, the FSMP will meet, among other things, the following program objectives:

- Provide accurate, relevant and timely information to decision makers;

- Create a standard-based environment;
- Leverage proven technologies to advance business operations; and
- Institutionalize best practices and nurture an innovative culture.

## 1.4 Guiding Principles

The FSMP Guiding Principles will help define an integrated enterprise that has the flexibility to support evolving regulations, technologies and processes. These principles will drive the development of the FSMP solution and include:

- **Alignment with the Financial Management Line of Business (FM-LoB) and the President's Management Agenda (PMA)**
  - Enhance process improvements;
  - Achieve cost savings;
  - Standardize business processes and data models;
  - Promote seamless data exchange between Federal agencies; and
  - Strengthen internal controls.
- **Business Services Focused Solution Architecture**
  - Enable composite applications to deliver best value within EPA business lines;
  - Support shared services across Agencies within Federal Lines-of-Business;
  - Promote reusability of solution components;
  - Deliver information integrity and sharing; and
  - Ensure security and protection of sensitive information.
- **Performance Based Implementation**
  - Maximize use of fixed price tasks where appropriate;
  - Focus on results;
  - Manage risk;
  - Include clear performance and quality standards; and
  - Include appropriate incentives and penalties.
- **Economies of Scale and Scope**
  - Consider innovative solutions; and
  - Reduce the total cost of ownership.
- **Solution Driven: Requirements Driven**
  - Modify processes before applications;
  - Do not be constrained by "As Is";
  - Driven by business best practices; and
  - Develop responsive solutions to changing requirements.

## 1.5 Blanket Purchase Agreement Activities

It is EPA's intent to award a blanket purchase agreement (BPA) to acquire goods and services as outlined in the SOO. The BPA will permit EPA to procure the hardware, software, licenses, services and the following lifecycle activities for the proposed FSMP solution. The Contractor shall not propose any releases of software currently in development or in testing.

It is the Agency's objective to make full use of the Contractor's expertise and experience in delivering solutions of the scale and scope described in the Concept of Operations document, and in the manner described in this Statement of Objectives. EPA will not prescribe a particular software package (the core financial element must be JFMIP certified), suite of packages, or combination of new and legacy components for the overall FSMP solution. In addition, EPA will not prescribe a particular implementation approach, pricing approach (i.e., mix of fixed price, fixed rate or other task costing bases) sequencing approach or implementation timeframe. Instead, EPA expects each Contractor's proposal to reflect the Contractor's best judgment as to the solution representing best value for EPA. EPA expects that the implementation methodology proposed by the Contractor will be clearly defined and supported by the deliverables, tasks, timeframes, assumptions and constraints stated in their proposal.

The successful Contractor will be working as part of an integrated team including EPA staff, and separate IV&V and project management contract support.

The work will include all project phases (from initiation through closing) for the generally recognized process and knowledge areas associated with the implementation and operation of the solution described in the CONOPS. The following information is provided as a general overview of the work that will be required under the BPA. The following list is neither complete nor all-inclusive, and it is not intended to prescribe a set of tasks to be awarded under the BPA. The information is intended to highlight specific EPA expectations and constraints. Details for individual task orders will be specified after the BPA award based on the successful Contractor's proposal.

### **1.5.1 Planning and Evaluation**

Planning and evaluation activities will be required throughout the entire lifecycle of the FSMP solution. The Contractor planning and evaluation efforts will include, but are not limited to:

- Scope, including the evaluation of the FSMP target environment described in the CONOPS;
- Schedule, activity and costs;
- Quality and risk;
- Data conversion and migration
- Business process change and configuration;
- Development, testing and performance; and
- Communications and team development.

### **1.5.2 Requirements**

The Contractor's solution shall comply with the requirements for the FSMP solution as stated in the Requirements Document included in the solicitation. The Contractor shall identify and manage changes to requirements as the FSMP solution progresses through its lifecycle.

### **1.5.3 Product Acceptance Test**

The objective of the product acceptance test (PAT) is to identify more fully application limitations, identify likely business process changes, and gain user acceptance prior to full development and deployment. The Contractor shall conduct a PAT using the configuration that demonstrates the solution meets the requirements indicated as met "out-of-the-box" in the Contractor's response to the Requirements Matrix. The Contractor shall complete the PAT within the timeframe and acceptance

metrics proposed by the Contractor and accepted by the Government. Unsuccessful completion of the PAT shall result in termination of the contract.

#### **1.5.4 Implementation and Integration**

The implementation of the FSMP solution shall be completed in accordance with the Contractor's proposed implementation plans. The implementation activities shall include, but are not limited to installation, configuration, testing and required changes. The Contractor shall also ensure that the FSMP solution integrates with the relevant components of the Agency's enterprise architecture and with external sources as identified in the CONOPS. The Contractor is responsible for providing all software, hardware and infrastructure needed for pre-production FSMP environment(s). Full access to these environments from EPA sites must be provided.

#### **1.5.5 Business Process Reengineering**

FSMP will result in new and standardized ways of doing business at EPA. To facilitate this change, the Contractor shall perform business process reengineering (BPR) to maximize effectiveness of the human capital, process and information technology investments. The Contractor shall provide the majority of the logical-level business process redesign during the fit-gap portion of the requirements phase of the FSMP. However, the Contractor shall provide additional BPR support throughout the project lifecycle as needed to ensure effective transitions to the new ways of doing business. All BPR efforts should align with the CFO Council's Financial System Integration Committee (FSIC) efforts to standardize federal financial processes.

#### **1.5.6 Data Migration/Conversion**

The Contractor shall conduct all activities required to successfully convert and migrate existing data from its current location(s) and format(s) to the new physical location(s) and format(s) defined by the FSMP solution.

#### **1.5.7 Training**

Training will be one of the most critical aspects for the success of FSMP. The training strategy will need to be defined, training material developed, and training conducted throughout the implementation. The Contractor shall ensure that training is provided to applicable EPA staff during all phases of the implementation, including those staff involved with the PAT, BPR, and system administration activities. End-user training on the new FSMP solution will be provided to all affected EPA staff prior to it being rolled-out throughout the EPA. The training provided by the contractor shall ensure that all affected EPA staff will be able to utilize the solution to perform the financial management duties applicable to their job positions within the Agency for the FSMP business areas described in the CONOPS. The Contractor's proposal should identify training to be conducted at implementation sites vs. remote (on-line) training.

#### **1.5.8 Application Hosting**

The FSMP solution will be required to be hosted and supported at a designated facility consistent with the goals and objectives of the FM LoB, the e-Security, and the e-Authentication e-Gov initiatives. Prior to production deployment, the Contractor shall be required to provide documentation necessary to transfer integration and hosting responsibilities to production entity.

EPA expects that the hosting service will include the following services:

- Basic Data Center, manage the computers and infrastructure;

- Manage the application, help desk, break - fix, run jobs, small patches; and
- Systems development and integration including major new releases;

All tasks involving wide area and local area networks shall be performed by or in cooperation with EPA network and support personnel. The Contractors' ability to directly impact the technical environment shall be limited to the hosting environment and the hosting side of the network connection at the hosting site.

Desktop, local server, LAN and WAN implementation, integration, operation and maintenance activities will be performed by other EPA support and contractor personnel in coordination with the FSMP contractor. Planning of these activities shall be accomplished via coordination with EPA's Office of Technology Operation and Planning. FSMP Help Desk support will be provided by the Contractor as 2nd tier, with 1st tier support provided by the EPA Help Desk.

## **1.6 Deliverables and Reports**

At a minimum, the FSMP Project will require those deliverables specified in the EPA System Lifecycle Management Policy and modified in the FSMP System Management Plan to be completed at designated points throughout the FSMP solution lifecycle. The Contractor may propose additional deliverables it feels is necessary to proper tracking and documentation of project activities. Also, additional deliverables may be required by the Government, which will be specified in individual Task Orders.

In addition to the deliverables identified above, the Contractor shall provide periodic reporting as specified in each task order on the status of the tasks and deliverables. Reporting shall include program status tracking procedures including Earned Value Management, deliverable quality ratings and other procedures as defined by the Agency.

## **1.7 Security**

Prior to commencement of work, contractor and subcontractor personnel shall be required to sign a "Certification of Confidentiality and Non-Disclosure" form. National Agency Check and written Inquiry (NACI) screenings are also required for contractor personnel. Contractor personnel shall submit required background investigation documentation within ten (10) days after initiation of the task order.

The contractor and subcontractor personnel shall abide by EPA's security regulations.

## **1.8 Period of Performance**

The period of performance for the successful Contractor's BPA is a two (2) base year period and eight (8) additional one-year order periods. The Contractor may propose a different combination of base and option year periods but must demonstrate how the alternative provides better value to the government. The overall period of performance may not exceed ten (10) years.

## **1.9 Place of Performance**

The majority of the implementation work under the BPA will be performed in the metropolitan Washington D.C. area unless otherwise stated within an individual Task Order. Travel to Research Triangle Park, NC, Cincinnati, OH, and Las Vegas, NV among other locations may be required.

### **1.10 Government Furnished Equipment**

The Contractor shall be provided Government Furnished Equipment (GFE) for work performed on a Government site. GFE includes telecom, normal office equipment and supplies, and personal computers.

### **1.11 EPA Partnership Philosophy**

EPA envisions the Government-Contractor partnership as an open, collaborative and professional relationship in which both will work together to:

- Consistently take steps to understand EPA's business issues and opportunities;
- Strive to enhance performance and improve quality;
- Ensure its products and services deliver tangible and meaningful business benefits; and
- Work collaboratively with other EPA Contractors and other Government agencies to meet the objectives of EPA initiatives.

The EPA is receptive to innovative and creative solutions to achieve the above objectives that transcend any included requirements.



## **Attachment A Non-FSMP Business Areas**

### **Human Resources**

The FSMP solution shall integrate with the Agency's PeopleSoft based Human Resource Management System (HRMS). In addition, the FSMP solution shall be sufficiently flexible to adapt to a future external service provider from an HR Center of Excellence as described in the Administration's HR Line of Business initiative.

### **e-Travel**

In coordination with EPA's selected Northrop Grumman Mission Systems travel solution, FSMP must assist EPA in transitioning to e-Travel in accordance with the terms and conditions of the GSA's e-Travel contracts.

### **e-Payroll**

The FSMP solution shall be integrated with the Defense Finance and Accounting System (DFAS) e-Payroll system. DFAS has been selected to handle payroll services for EPA; services are expected to begin in March 2006. The FSMP solution must be able to interface with DFAS when required by business processes. This solution also must reflect a decision about whether to retain EPA's PeopleSoft – based labor distribution application, or replace it with functionality from the core financial or third party application.

### **e-Acquisition**

The FSMP solution shall be integrated with the Integrated Acquisition Environment (IAE), which enables agencies to leverage government-wide shared services for common functions. IAE goals are to: 1) create a simpler, common, integrated business process for buyers and sellers that promotes competition, transparency and integrity; 2) increase data sharing to enable better business decisions in procurement, logistics, payment and performance assessment; and 3) take a unified approach to obtaining modern tools to leverage investment costs for business related processes.

### **e-Authentication**

The FSMP solution shall be implemented consistent with the goals of the e-Authentication initiative, which are to: 1) build and enable the mutual trust needed to support wide-spread use of electronic interactions between the public and Government, and across governments; 2) minimize the burden on the public when obtaining trusted electronic services from the Government, and across governments; and 3) deliver common, interoperable authentication solutions, ensuring they are an appropriate match for the levels of risk and business needs of each E-Government initiative.

### **e-Security**

In March 2005, OMB initiated a task force to address the Information Technology (IT) Security LoB. The IT Security LoB task force will identify problems and propose solutions to strengthen the ability of all agencies to: (1) conduct training, specialized training and knowledge sharing; threat awareness and incident response capability; program management; security lifecycle; selection, evaluation, and implementation of security products; and (2) defend against threats, correct vulnerabilities, and manage resulting risks (including those specific to a single agency or shared among other agencies).